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Innovation in Destination Management: social dialogue, Knowledge Management processes and Servant leadership in the Tourism Destination Observatories

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Abstract

The present paper joins the debate on Destination Management with reference to tourism destination that is meant not only as a geographical area with an integrated offer of facilities and attractions for tourists, but also as a cognitive product which derives from the experiential and developmental processes of the territory. Within this context, starting from a model of strategic options for the destination development, the role of the Tourism Destination Observatories (TDO) is examined as a model and a regulating instrument of the complexity of destination and facilitation of knowledge management processes of an area. Such a role is also seen as a change agent in governance processes, based on the social dialogue, on the widespread knowledge, on responsible and shared strategic choices. The Tourism Destination Observatories, which were once organizers of data and information on the territory, have become levers of a new model of area management while being attentive to the cognitive value generated by the interaction between subjects, source of economic and competitive value of the destination.

The Observatory as a widespread change agent, capable of creating a model of Destination Management, is no longer ruled by a strategic centre (often a consortium or a public body) but managed by a Knowledge Centre that acts as a promoter and coordinator of a shared developmental process of destination competitiveness.

The Tourism Destination Observatory is also a factor of social cohesion and promotion of a service orientation among the different operators and between institutions and citizens, administrations and businesses. The TDO is therefore a prerequisite for the developing and spreading a service culture on the territory which will be beneficial for all the destination users.

Keywords: Destination management, Tourism Destination Observatory, Innovation, Knowledge Management, Servant Leadership

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1. Destination Management and Knowledge Management

Tourism is a complex phenomenon. It has important repercussions on various *stakeholders* of the destinations where it develops, as it represents both a source of profit and a cause of negative effects at a social, environmental and economic level. Therefore, it is necessary to increase the tourist value of destinations through a strategic management of the available *assets* and create a “product” that is an added value not only for the tourist but also for all the local *stakeholders*. In other words, a tourist destination product, which is often considered in a “customer oriented” perspective, should be designed from a “community oriented” viewpoint, as an integrated package of knowledge and identities of the community. Its global value increases as a result of destination management processes which turn a tourist destination product into specific value for each operator. Destination management is an approach which can raise the value of territory users, organizations, citizens, and the whole community, not only for the tourist, using local products and services.

The Destination Management concept follows “the fortunes” of destination vision regarding the ways of considering the territory in an economic perspective, that are destination as a holistic system and destination as a cognitive system. Considering the destination as a holistic system means considering its parts (stakeholders and processes) in a logic of “*belonging and functionality in reference to the local macrosystem*” [1]. In a systemic perspective, each operator is free to adopt his own strategy, however he has to follow a strategic line of common destination whose basis are in organizational forms like networks (associations, consortiums, joint ventures, etc.). In this sense, Destination Management plays an integrating role between the needs of the different stakeholders, which are distant in terms of culture and time orientation. The operators are driven in different ways by opportunistic or fiduciary behaviours, they own information and power in an asymmetric way so they are always in search of a balance around a core, which can pull the strings of the system. Destination Management should be considered in this case as an activity aimed at achieving a balance between each operator’s interests and the community’s interests, between formal and informal relations, between public and private target. This balance would allow the destination to distinguish itself on the market since the system would lead to the creation of a characteristic, unique and incomparable competence calibrated on the specific features of the territory [2], [3].

A Destination Manager organizes the various components of the territory, guiding them towards a strategy and a common value through a planned, governed and collective process. In this way, this process separates the leadership of the destination development from individual subjects, dominant operators who are able to determine individually the local development, even if through a dense network of relations created on the territory.

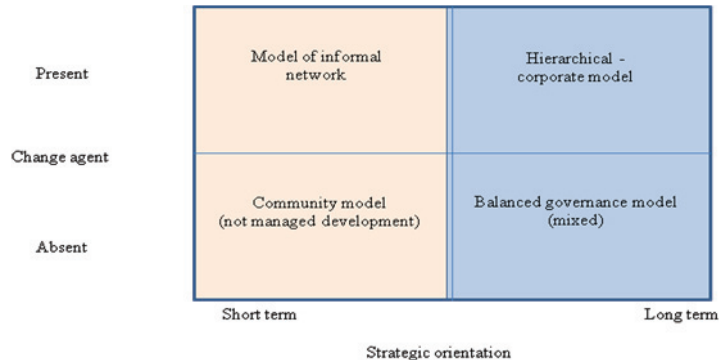
The vision of a destination as a cognitive system, by contrast, implies focusing attention on the tacit and explicit knowledge in the territory. In this case, the development processes of the destination often derive from spontaneous processes of adaptation among the stakeholders who, through behaviours of mutual learning, are able to build a strong and common cultural fabric that acts as a regulating criterion of the individuals’ behaviours, in a sort of spontaneous common orientation. In this context, there is no destination management, since the destination is self-governing on the basis of common values that make the individualistic approach evolve towards a community approach [4].

The present paper develops the idea of destination as “cognitive system governed in a responsible and shared way”, according to innovative techniques, tools and a new leadership orientation, providing Destination Management activities with new and more composite roles. Therefore, the competitiveness of a destination depends on the ability of the Destination Manager to increase and disseminate individual knowledge employing innovative knowledge management tools [5].

1. Innovation in Destination Management

In order to examine innovation in Destination Management we analyse a model of strategic development of the territory which takes two dimensions into consideration. Firstly, we examine a short or long term strategic orientation; secondly, the presence or the absence of a change agent considered as an individual or collective subject, physical or intangible, capable of being a catalyst of processes of tourism destination development. [2]

Figure 1. Models of strategic destination development



Source: adaptation from Cioccarelli, 2003

According to the model represented in figure 1, the change agent is a strong element and it is able to orientate the strategy, either in the case of an intangible factor (the sharing of values among the stakeholders) or in the case of a material element (an economic leader). On the contrary, the change agent is nearly absent either because it does not exist (community model) or because it is widespread and present in a fluid form among several operators or because the change agent loses strength if not properly managed (mixed model) [6].

Therefore, the above-stated diagram shows four models of local development: the “community model” where there is a lack of strategic management of the destination and in which a plurality of private and/or public operators without a strategic long-term orientation, advance and prepare individual strategies. In the “community model” an overall view lacks; there is no subject who acts as a promoter of change which is able to create value and make the destination competitive. In a “model of informal network” (the evolution of the community model), although there are many strategies, the innovative element is the presence of an informal strategy deriving from deeply rooted culture and values, which are shared by more stakeholders as well as from a common way considering the service, thus creating a basic strategic orientation. In a “hierarchical-corporate model” the strategy is carried out by a single individual who, despite the close net of relationships established on the territory, takes decisions by himself following a medium-long term vision. Finally in the public and private “balanced governance model”, the destination strategy is coordinated around a “strategic centre” (often a consortium or a public-private body which acts as a core) and is collectively formulated. The different operators are aware of the advantages and benefits that collaboration can bring, even though the model is not always effective, as explained below.

The “community model” and the “informal network model” refer to the destination as a spontaneous cognitive product where knowledge is fragmented among the different stakeholders and used in an individualistic way (“community model”) or it is widespread and common to a narrow context spontaneously giving rise to homogeneous behaviours (“informal network model”).

The “hierarchical-corporate model” and the “mixed model” assume a vision of system in which the parts are coordinated and held together either by the activism of a single agent who concentrates information and identifies common policies (“hierarchical-corporate model”) or by a collective and

distributed power that fixes the rules of the game, coordinated in a non-hierarchical way by a facility agent (public and private together).

The mixed model, balanced between public and private, is far from creating a true governance model of a destination, since it lacks an innovative drive. It often plays a bureaucratic role; it is a structured process of widespread sharing, a catalyst, an assembler of needs, more than a true propulsive force of growth. For this reason, the absence of a change agent is associated with the mixed model, as shown in figure 1.

The following paragraph highlights how such a process may evolve into a true model of strategic development of the territory.

Competitive tourism destinations cannot disregard a model of a responsible, non-hierarchical and long-term development even if a model integrating interests and efforts of all local operators as well is applied. This model however needs to acquire new tools of governance, including knowledge management. As a matter of fact, destination management has to face several problems: the plurality of different subjects with various needs, culture and time orientation, opportunistic and trust behaviours, information asymmetry, changes at managing level and in the competitive context which disorientate stakeholders.

As shown in this paper, the Tourism Destination Observatory turns out to be the main tool in a “balanced governance model” that is now unavoidable. The TDO, used in a cognitive-systemic approach, may represent a fundamental tool both in the management of resources and of different needs of the area and a coordination tool of development policies. Furthermore, the Observatory facilitates the knowledge management processes and new cultural trends which contribute to satisfy all stakeholders.

The Tourism Destination Observatory activates innovative, responsible and shared processes of definition and promotion of the “destination product” by integrating and coordinating material and cognitive resources as well as the requests of different stakeholders, public and private ones.

2. The Tourism Destination Observatory as main tool in Destination Management in search of sustainable competitiveness

In Tourism Destination Management the TDO plays several fundamental roles:

1. Process and product innovation tool
2. Knowledge management tool
3. Development of a servant leadership tool

2.1. The TDO as process and product innovation tool

As a tool of innovation, the Tourism Destination Observatory defines new codified and shared processes of destination development. It represents a project of an active involvement of the stakeholders, in order to make a tourism destination lastingly competitive, to create the conditions of a sustainable competitiveness, to make new investments and to achieve new development for all local operators [7] without compromising the well-being of future generations [8], [9], [10], [11].

The creation of an TDO follows different phases which guarantee two main principles: the monitoring of the phenomena related to the competitiveness and sustainability of the destination and the active involvement of stakeholders. The first principle is guaranteed by the creation of an Information Repertory to collect, spread and update the available data on the area. The construction of a system of integrated data and information enables to collect and monitor the external and internal factors, within the context of

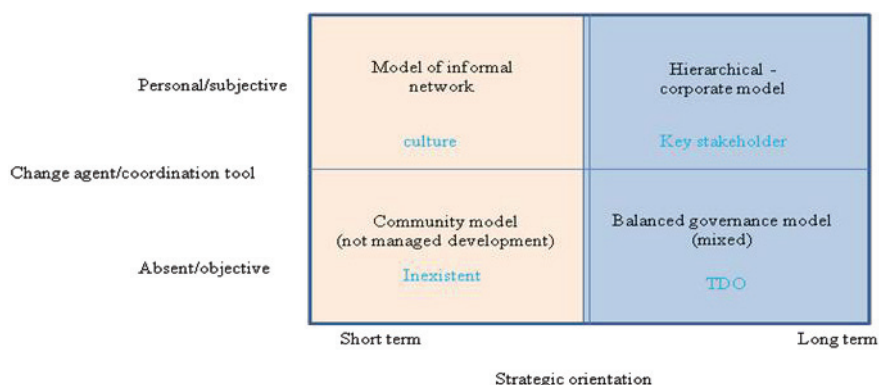
reference, which may influence a competitive and sustainable tourism development. With reference to the main drivers of economic, social and environmental sustainability, internationally recognized, [12], [13], [14], [15] a set of indicators and respective measurements is thus detected. According to the NecsTour model [16], [17] the indicators and measurements concern the following variables: active protection of destination identity; seasonal adjustment; impact of transports; quality of work; quality of residents' lives; reduction and the optimization of natural resources with special reference to water; reduction and the optimization of energy consumption; decrease and the disposal of waste material; protection of environmental patrimony and of cultural heritage.

The second principle (the active involvement of stakeholders) is guaranteed by the active involvement of stakeholders through focus groups, collective participation of the governmental bodies to round tables, organization of committees, etc. The NecsTour model, which this paper refers to, follows the following phases: an Agreement with the representatives of the economic and social parts (trade associations, local government, businesses, citizen representative, cultural associations, promotion bodies, etc) who pledge to constitute round tables for the study and gathering of information and knowledge. Another step is the establishment of a team of researchers in charge of studies and the swot analysis of the territory to create a common cognitive framework on the destination from which the development of the area originates. This team is also in charge of the definition, with other bodies, of a model of indicators calibrated on the specificities of the destination considering firstly its main vocation (thermal, bathing, mountain, rural, etc). Other phases concern: the activation of a Strategic Panel composed of representatives of signatories who identify, together with the municipal administration, development policies for the destination; the creation of a Technical Panel, formed by experts, involved in monitoring the different aspects of sustainability and competitiveness; the individuation of the municipal administration structure which can establish relations with stakeholders and to promote social dialogue.

The Observatory, on the one hand, intends to gather, analyze and process information (informative system) and, on the other hand, it represents a support for the organization of the local government [18] assigning the decisions of the destination development to stakeholders. The cognitive function, carried out by the Observatory, places it at the core of the establishment process of a relational system among the stakeholders, between the decision-making level and the realization level. Specifically, the Observatory promotes the informative exchange between the different public and private stakeholders, to improve the collaboration and the coordination of various initiatives. Besides the spreading of information within the area and among the stakeholders, the exchange is also fostered between the different institutional levels, in the Province and Region, for the arrangement of specific measures in favour of the destination and for the control of the effectiveness of the promotional and incentive actions.

The Tourism Destination Observatory is thus an innovative change agent, an impersonal and widespread factor, with a propulsive role of innovation in the destination. If in the *community model* the change agent is nearly inexistent, if in the *informal network* it is represented by culture and in the *hierarchical-corporate model* by the key stakeholder, in the *balanced governance model* the TDO is the force of innovation since it creates the conditions for the generation of ideas and development initiatives and for the setting up of a new "destination product", as a resultant of the devising and concerted planning shared by all the local operators.

Figure 2. The catalyst of development: new change agent and coordination tool



Furthermore, the TDO represents an effective coordination tool since it employs a mix of instruments . These range from the mutual adaptation to the definition of rules and procedures for the knowledge exchange and for the implementation of development policies, to the standardization of the inputs (through processes of shared knowledge creation) and to the realization of shared outputs functional to the final output of “sustainable and competitive tourism destination”.

As all innovations, the activation of a Tourism Destination Observatory requires a rather long period marked by a non-immediate planning ability, where information technology proves to be marginal compared to the definition of a flexible, efficient and lasting governance model.

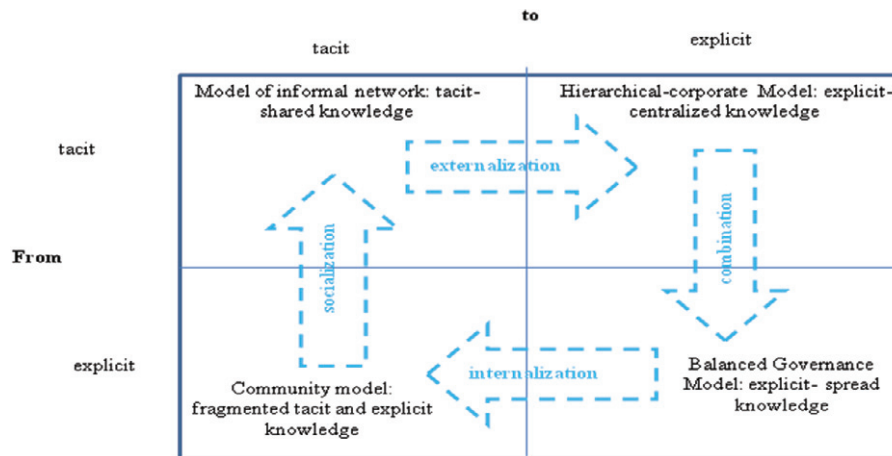
2.2. The Tourism Destination Observatory as a knowledge management tool

In the analysis of the phenomena concerning the territory, the Observatory represents a process and a responsible mechanism of knowledge management in an approach to destination as a governed cognitive system. The Tourism Destination Observatory is a tool able to activate complete cycles of creation, management and spread of knowledge. It is able to codify available knowledge available in the area by starting from the socialization between the stakeholders, the externalization of tacit and explicit knowledge and the creation of a plus value given by the integration, systematization and internalization of explicit knowledge [19], [20].

As a matter of fact, through dialogue and socialization among the stakeholders, the Observatory allows the combination of knowledge, and experiences, and the creation of a common substratum of shared values and identities which change the “community model” into “informal network model”. However, to be complete, the knowledge development process need the observatory to transform tacit knowledge into codified knowledge, which becomes transferable and storable. This process, carried out in the “hierarchical corporate model”, is activated by the change agent that extrapolates, assembles and aggregates the available information. Its limit is incompleteness which creates just individual learning for the agent himself.

Therefore, to complete the process, the Observatory allows explicit knowledge to spread, combine and be transferred to the community so that each operator may increase his initial knowledge.

Figure 3. The process of transformation and development of knowledge by the Tourism Destination Observatory

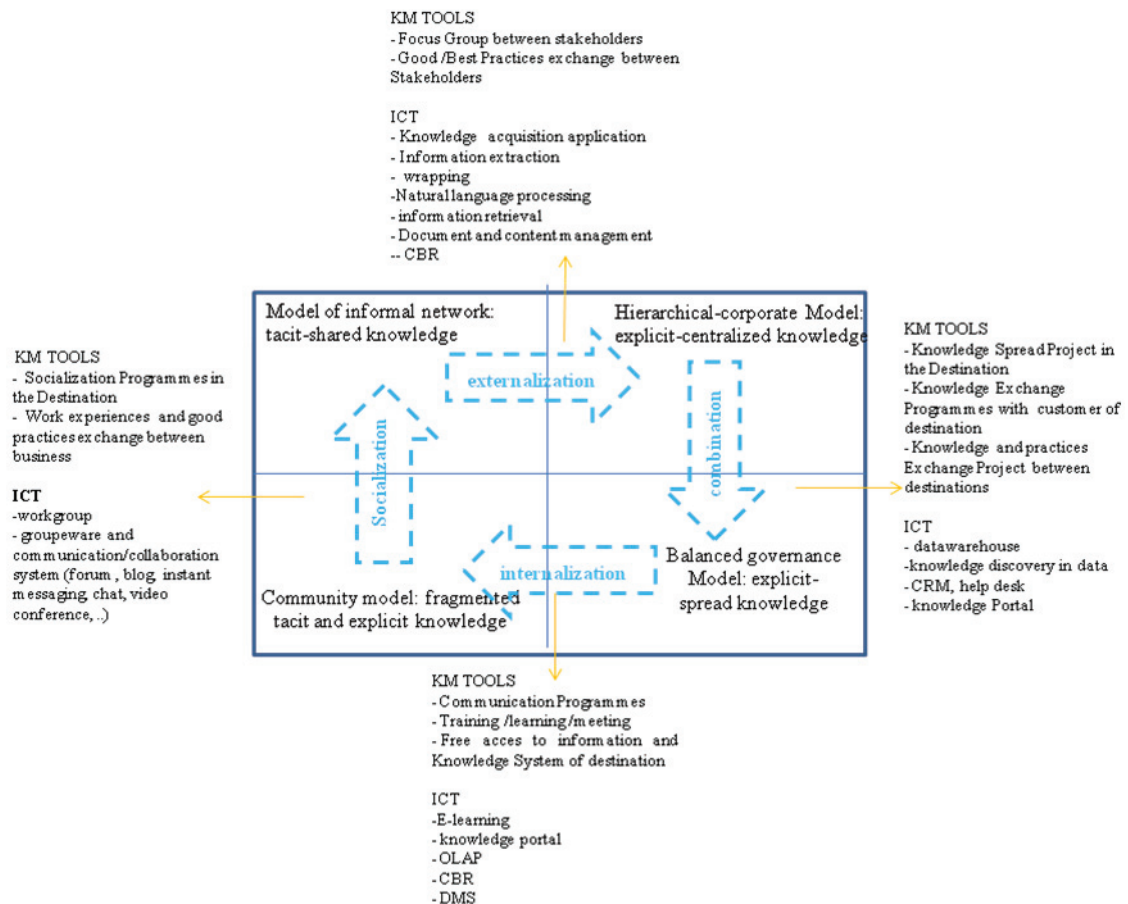


In this way, the Tourism Destination Observatory facilitates this process of knowledge creation. It is not a mere system of assembly and systematization of information but it generates cognitive value through learning processes which convert individual into collective knowledge and vice versa, tacit into explicit knowledge and vice versa.

It is necessary for the Observatory to appropriate and integrate modern ICTs (an important factor of any strategies of knowledge management) so that it can play the real role of knowledge management tool. The new ICTs effectively support the creation, storage, distribution and application of knowledge through flexible, multichannel and multimodal systems which allow to capture implicit and tacit knowledge in real time. The latter is distributed in a delocalized way by considering changes in the information and in the data in order to facilitate the adaptation of the organization to the environmental dynamics [21][22].

The figure below synthesizes the different tools which support the knowledge management process in various phases of knowledge building in the area.

Figure 4. The support of ICT in the transformation and development of knowledge by the Tourism Destination Observatory

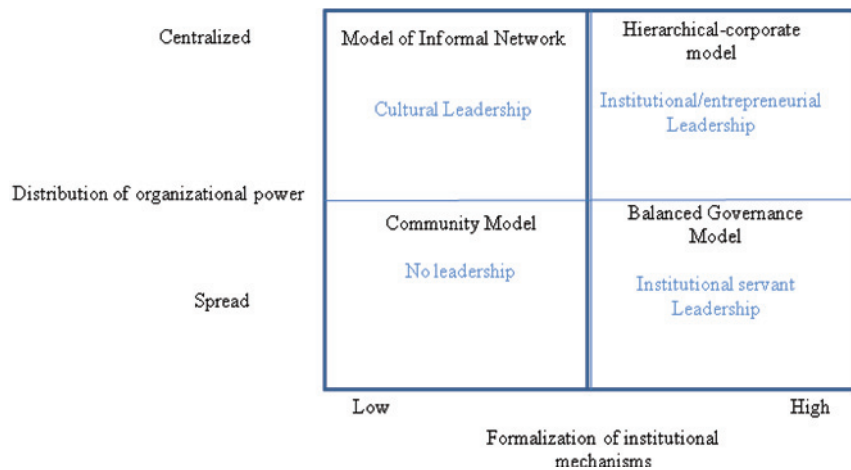


2.3. The TDO as servant leadership development tool

Last but not least, the Tourism Destination Observatory, as a contribution to the local development processes, is an important supporting and servant leadership tool among all stakeholders. The leadership is able to trigger constructive and positive energies in the system and to motivate individuals' behaviour. This institutional leadership, not centralized but spread among the different operators who agree with a self-made development model, is functional to the goals of local development. Furthermore, this leadership replaces the leadership styles associated with other models of strategic destination development. In the "community model" there is no leadership; in the "informal network model" there is a cultural leadership where several stakeholders are guided by shared values and consequently by the same culture towards the same policies. In the "hierarchical corporate model" the entrepreneurial institutional leadership operates through a key stakeholder who formulates local policies.

By contrast, in the "balanced governance model" there is a strong non-hierarchical leadership, which does not command the stakeholders, since it is a democratic leadership, that originates and develops in the TDO.

Figure 5. The TDO and new models of Leadership



Therefore, the sustainable competitiveness of tourism destination goes through the presence of a “Servant Leadership” [23], [24] that is facilitated by the TDO. “Servant Leadership” is meant as a philosophy more than a style and it is a cultural orientation common to all local operators. It is able to influence both internally the organizational decisions (as regards its employees) and, externally in the relations among the stakeholders and in the relations between them and the tourist who increasingly defines the quality of the tourist product in terms of satisfaction of his own needs. Servant leadership is also attention and respect of someone else’s demands. So everybody behaves in function of others. Furthermore, a servant leadership assumes the customer-supplier logic which is at the root of pragmatic and theoretical approaches to quality. The TDO, with its activities (meetings, experience exchanges, good practices, collective educational projects, round tables), helps the destination manager and the management of the local organizations to develop some typical competences of the servant leader. These competences include listening skills to understand someone else’s demands; empathy with someone else’s feelings and moods; tolerance to the errors and proneness to “rehabilitation”, meant as a possibility given to oneself and someone else to overcome failures of previous choices; awareness of one’s knowledge and competences as well as of strengths and weaknesses of the destination; persuasion in searching someone else’s consent; assistance to other individuals; commitment to the growth of employees and of the whole community; building of the community in which everybody shares information, knowledge, values, good practices, and ideas for strategic development.

Servant leadership promotes a culture of service spread on the territory that is a benefit for the tourist. The concept includes a “transformational leadership” referring to the servant oriented ability of destination manager. He makes stakeholders aware of quality and service issues; he supports social parts in the transition from a vision of mere users of destination services to key stakeholders of development; he facilitates knowledge development in the community and competences which is coherent with the new values in order to create the conditions of social welfare. Finally, he introduces continuous energy in the system to preserve high levels of attention, in times to come, towards issues of sustainable competitiveness and not towards competitiveness tout court.

3. Final considerations: the incomplete role of TDO

The implementation process of the Tourism Destination Observatory is still far from achieving the wished results. The complete implementation of this tool is difficult due to the following factors: the lack of social dialogue in the destinations; the social operators' unawareness of a destination vision as an integrated product of material and immaterial resources; the difficulty in creating a non-hierarchical governance of destination development processes and in the management of relationships between the stakeholders.

The current experiences show an effective role of the TDO in creating social dialogue and common strategic awareness by contrast, the role of the TDO is incomplete in knowledge management processes. This path is still long and tortuous. Part of the problem lies in the separate management of the different phases of the full cycle of knowledge creation. Moreover, there is a lack of an overall view of the socialization phase (that employs meetings, focus groups, etc.) and the phase of knowledge combination (that uses a set of indicators for data and objective information). As a result, tacit knowledge is not integrated with explicit knowledge. Hence the cycle is incomplete.

Furthermore, the lack of an effective use of ICT tools which could support and complete this process. This context enormously reduces, on the one hand the TDO potentials and, on the other hand, the importance of innovation in Destination Management.

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